

Message Text

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ACTION EA-06

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FM AMEMBASSY VIENTIANE

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SECDEF WASHDC

JCS

CINCPAC POLAD

USSAG

AMEMBASSY SAIGON

C O N F I D E N T I A L VIENTIANE 7775

LIMDIS

E.O. 11652: GDS

TAGS: EAID, LA

SUBJECT: POLICY QUESTIONS ARISING FROM COMMUNIST AID TO LAOS

1. SUMMARY. THIS MISSION IS BEING ASKED BY THE PGNU FOR SOME ASSISTANCE IN HANDLING, WAREHOUSING AND DISTRIBUTING SUPPLIES RECEIVED FROM COMMUNIST COUNTRIES AND THIS RAISES THE QUESTION OF THE LEGALITY AND PROPRIETY OF OUR PROVIDING SUCH ASSISTANCE. THIS MESSAGE PROVIDES OUR RECOMMENDATIONS WITH REGARD TO THIS PROBLEM.

2. OUR REVIEW OF PERTINENT LEGISLATION AND SPECIFICALLY OF SECTION 620 OF THE FOREIGN ASSISTANCE ACT LEADS US TO CONCLUDE THAT THERE ARE NO APPLICABLE LEGISLATIVE RESTRICTIONS AND THAT THE ROLE OF THE U.S. IN ASSISTING THE PGNU TO RESOLVE PROBLEMS ARISING FROM

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AN INFLUX OF COMMUNIST AID IS SOLELY A POLICY ISSUE.

THIS MESSAGE ANALYZES THE FACTORS WHICH BEAR ON THIS PROBLEM AND TRANSMITS OUR RECOMMENDATIONS.

3. AS HAS BEEN REPORTED SEPTEL, IT IS OUR BELIEF THAT ALTHOUGH THE PGNU WILL RECEIVE LESS COMMUNIST AID THAN IT HAS REQUESTED, IMPORTANT TONNAGES OF SUPPLIES WILL BE RECEIVED. ALTHOUGH OUR INFORMATION IS FRAGMENTARY THE LAO ARE COMMENCING TO WORRY ABOUT THE MOVING AND STORING OF THESE SUPPLIES. IT IS BEING ASSUMED HERE THAT AID PROVIDED BY THE PRC WILL BE TRANSPORTED DOWN THE CHINESE ROAD TO PAK BENG ON THE MEKONG. AS MATTERS PRESENTLY STAND, ALL OTHER AID FROM COMMUNIST COUNTRIES WILL BE TRANSPORTED OVERLAND BY THE DRV TO SALA PHOU KHOUN AT THE INTERSECTIONS OF ROUTES 7 AND 13. SALA PHOU KHOUN CONSISTS OF AN AIRSTRIP DEFENDED BY SOME SCATTERED OUTPOSTS. THERE ARE NO FACILITIES OF ANY KIND NOR ANY WORK FORCE SO IT IS UNDENIABLE THAT A REAL STORAGE AND TRANSSHIPMENT PROBLEM EXISTS.

4. THE LAO OF BOTH SIDES ARE BEING CAUTIOUS IN THE MANNER IN WHICH THEY ARE RAISING THE SALA PHOU KHOUN PROBLEM WITH US AT VARIOUS LEVELS. FOR EXAMPLE, PATHET LAO MINISTER OF PUBLIC WORKS ASKED AMBASSADOR AND USAID DIRECTOR A FEW DAYS AGO WHETHER U.S. COULD PROVIDE A PREFABRICATED WAREHOUSE. IN LAOS IT IS EASY TO HAVE THIS KIND OF REQUEST BALLOON SLOWLY FROM A PREFAB BUILDING, TO CONCRETE FOR THE FLOOR, TO A PAVED ACCESS ROAD, TO A FEW FORK LIFTS, ETC. THE LAO ARE NOT SURE WHAT OUR REACTION TO THE POLITICAL ASPECTS OF THIS QUESTION MAY BE SO THEY ARE COMING AT US RATHER GINGERLY, BUT WE CAN SEE THE WRITING ON THE WALL.

5. ALSO, ALTHOUGH THE SUBJECT HAS NOT BEEN RAISED, IT IS POSSIBLE THAT IF CHINESE SUPPLIES ARE DELIVERED AT PAK BENG, THE LAO WILL WISH TO USE LCMS OF THE RIVER FLOTILLA TO MOVE SOME ITEMS DOWNSTREAM. WE ARE NOT SURE WHETHER THIS USE OF MAP-SUPPORTED EQUIPMENT WOULD RAISE SPECIAL PROBLEMS. AT THIS MOMENT, THE ONLY UNUTILIZED PREFAB WAREHOUSE IN LAOS IS A MAP-PROVIDED

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UNIT WHICH HAS ALREADY BEEN DELIVERED TO FAR. ALTHOUGH THE LACK OF COORDINATION WITHIN THE GOVERNMENT IS SUCH THAT THE EXISTENCE OF THIS FACILITY WILL PROBABLY NEVER BE MADE KNOWN TO THE MINISTRY OF ECONOMY AND PLAN OR THE MINISTRY OF PUBLIC WORKS, MIRACLES DO HAPPEN AND THE ALLOCATION OF THIS BUILDING TO SALA PHOU KHOUN SHOULD BE ANTICIPATED.

6. SINCE IT IS OUR POLICY TO ENCOURAGE AID TO LAOS FROM A VARIETY OF SOURCES AND GIVEN WHAT WE CONSIDER THE IMPERATIVE OF LIMITING NORTH VIETNAMESE ACTIVITY TO THE PL ZONE, THE MISSION SHOULD OBVIOUSLY NOT TAKE A DOG IN THE MANGER ATTITUDE TOWARD AID FROM COMMUNIST COUNTRIES. ON THE OTHER HAND, WE SEE NO REASON WHY THE U.S. SHOULD INCUR ANY SIGNIFICANT COSTS TO ASSIST IN THE HANDLING OF COMMUNIST-SUPPLIED COMMODITIES.

7. OUR PRIMARY CONCERN IS TO ASSURE THAT LAO INCAPACITY AND HELPLESSNESS DO NOT RESULT IN A FURTHER EXTENSION OF NORTH VIETNAMESE INFLUENCE INTO THIS COUNTRY. IF THE LAO ARE UNABLE TO ACCEPT SUPPLIES AT SALA PHOU KHOUN THE DRV MIGHT WELL OFFER TO HAUL ALL THE WAY TO VIENTIANE. THE NOSE OF THE NORTH VIETNAMESE CAMEL IS ALREADY FAR ENOUGH INTO THIS TENT AND OUR POSTURE SHOULD NOT BE ONE WHICH LETS IT IN ANY FURTHER.

8. WE RECOMMEND THAT IN RESPONSE TO PGNU REQUESTS WE BE PREPARED TO TAKE THE FOLLOWING ACTIONS.

- A) PROVIDE ADVICE AND TECHNICAL ASSISTANCE ON THE PLANNING OF AN APPROPRIATE FACILITY.
 - B) PROVIDE TRAINING IN WAREHOUSING TO SELECTED INDIVIDUALS. (THIS IS AN EXISTING USAID PROGRAM.)
 - C) PLACE NO LIMITATION ON THE USE BY THE LAO OF MILITARY OR CIVILIAN EQUIPMENT/SUPPLIES ALREADY TURNED OVER TO THE RLG OR ON THE USE OF U.S. SUPPORTED EQUIPMENT.
 - D) REFUSE REQUESTS FOR NEW EQUIPMENT, FOR EXAMPLE, VEHICLES OR FORK LIFTS TO BE USED BY COMMUNIST DONOR COUNTRIES IN SUPPORT OF THEIR PROGRAMS.
 - E) PARTICIPATE AS APPROPRIATE WITH OTHER DONOR COUNTRIES IN DISCUSSIONS ON SUCH QUESTIONS AS PRICING AND DISTRIBUTION SO AS TO AVOID ECONOMIC DISLOCATION.
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8. WE WOULD APPRECIATE WASHINGTON'S VIEWS.
WHITEHOUSE

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